

Seventh Amendment to the Iowa Medicaid Enterprise POS System and POS Operations Contract

This Seventh Amendment to Contract Number MED-12-001-B, as amended (the "Contract"), between the State of Iowa, Department of Human Services (the "Agency", "Department" or "DHS") and Goold Health Systems, Inc. (the "Contractor") is made pursuant to Section 23.5 of the Contract. This Amendment is effective as of October 1, 2015. This Amendment modifies, to the extent specified below, the terms and conditions of the Contract.

Section 1: Background. The parties are amending the Contract to account for a reduction in Contractor services as a result of Medicaid modernization, with an expected "go live" date of January 1, 2016 for implementation of modernization efforts. This amendment accommodates a reduction in scope beginning the month of "go live," and therefore expected in January 2016, and running through the end of the Contract. Any system changes required will be addressed in a separate CMR.

Section 2: Amendment to Contract Language

The Contract is amended as follows:

Revision 1. Attached to this Amendment is a document entitled "Attachment C" which is incorporated herein by reference.

Revision 2. Section 5 of the Contract and all provisions of the Contract before Section 5.1 are modified to read as follows:

Services applicable to all Iowa Medicaid Enterprise (IME) contractors are set forth in Sections 5, 6, 7 and 8 of RFP MED-12-001 and are incorporated herein by reference. Service requirements and performance standards applicable to the system services component contractors of the IME are set forth in Section 7 of RFP MED-12-001 and are incorporated by reference. If there are any changes or additions these are found in Attachment 1.

Revision 4: Section 7.1, Performance Based Contract, is hereby amended by adding the following language at the end of the Section:

Notwithstanding the above, the above Operations Payment obligations shall terminate as of January 1, 2016. Beginning January 1, 2016, Contractor may invoice the Agency for the operational phase of this Contract consistent with the monthly "Revised Monthly Fee" values set forth in the table below:

Month	Previous Monthly Fee	Increase or (Reduction) in Fee	Revised Monthly Fee
January 2016	\$ 170,177.00	(\$ 12,945.16)	\$ 157,231.84
February 2016	\$ 170,177.00	(\$ 12,945.16)	\$ 157,231.84
March 2016	\$ 170,177.00	(\$ 12,945.16)	\$ 157,231.84
April 2016	\$ 170,177.00	(\$ 12,945.16)	\$ 157,231.84
May 2016	\$ 170,177.00	(\$ 12,945.16)	\$ 157,231.84
June 2016	\$ 170,176.98	(\$ 12,945.16)	\$ 157,231.82
6-Month Total:	\$1,021,061.98	(\$ 77,670.96)	\$ 943,391.02

Pricing for the remaining optional years is below. Each month's invoice will equal 1/12th of the yearly price.

Fourth Year of Operations (7/1/16-6/30/17)	\$1,392,592.00
Fifth Year of Operations (7/1/17-6/30/18)	\$1,434,369.76

First Option Year	(7/1/18-6/30/19)	\$1,477,400.85
Second Option Year	(7/1/19-6/30/20)	\$1,521,722.88
Third Option Year	(7/1/20-6/30/21)	\$1,567,374.56
Fourth Option Year	(7/1/21-6/30/22)	\$1,614,395.80
First Option Month	(7/1/22-7/31/22)	\$ 138,568.97
Second Option Month	(8/1/22-8/31/22)	\$ 138,568.97
Third Option Month	(9/1/22-9/30/22)	\$ 138,568.97

The cut-over schedule outlined by the IME may be challenging for some MCOs to meet. Until all MCOs are fully integrated, the Contractor shall be required to bridge any service gap that may result due to MCOs not being fully ready. The "Revised Monthly Fee" during this period shall not be less than the amount calculated by the following formula as determined by MCO readiness at the first of each operational month until all MCOs are on-boarded.

MCO Fractional Support Value = (Previous Monthly Fee – Revised Monthly Fee)/ Number of MCOs

Contract Monthly Fee = Previous Monthly Fee – (MCO Fractional Support Value* MCOs Ready)

Example: In January, 3 of 4 potential MCOs are ready to go-live January 1.

MCO Fractional Support Value = (Previous Monthly Fee – Revised Monthly Fee)/ Number of MCOs

MCO Fractional Support Value = (\$126,604.08-\$87,600.29)/ 4 MCOs

MCO Fractional Support Value = \$9,750.95 (if there are 4 MCOs)

Contract Monthly Fee = Previous Monthly Fee – (MCO Fractional Support * MCOs Ready)

Contract Monthly Fee = \$126,604.08 - \$29,252.84

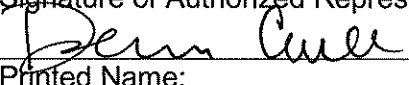
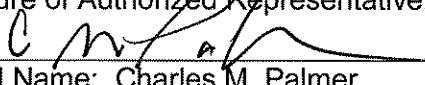
Contract Monthly Fee = \$97,351.24

Section 3: Ratification, Authorization, and Contingency

Except as expressly amended and supplemented herein, the Contract shall remain in full force and effect, and the parties hereby ratify and confirm the terms and conditions thereof. Each party to this Amendment represents and warrants to the other that it has the right, power, and authority to enter into and perform its obligations under this Amendment, and it has taken all requisite actions (corporate, statutory, or otherwise) to approve execution, delivery and performance of this Amendment, and this Amendment constitutes a legal, valid and binding obligation upon itself in accordance with its terms. This Amendment is contingent upon CMS approval.

Section 4: Execution

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Amendment and have caused their duly authorized representatives to execute this Amendment.

Goold Health Systems, Inc.	Agency, Iowa Department of Human Services
Signature of Authorized Representative: 	Signature of Authorized Representative: 
Printed Name:	Printed Name: Charles M. Palmer
Title:	Title: Director
Date:	Date: 12-7-15

Attachment C

The Contractor will provide support of the Medicaid modernization effort underway at the Agency. This effort is expected to “go live” January 1, 2016. However, the elements of this amendment pertaining to scope, timing, and fees may be modified by the State with at least 30 days advance notice. If such notice is provided by the State, the parties shall work in good faith to identify and address impacts to scope, timing and fees, and execute an amendment to the contract.

Staffing

- Overall staffing shall be reduced due to the reduction in Pharmacy POS services.
- At a minimum, the Account Manager shall be located on-site at IME permanent facility.
- Contractor shall add permanent staff to support the MCOs with rebate analysis, rebate operations, and accounting.
- Contractor shall add temporary staff during the Design, Development, and Implementation (DDI) phases, as well as through the transition phase, to support rebate operations and rebate analysis.
- Contractor shall provide a period of transitional support for providers and members between 1/1/2016 and 4/1/2016 and staffing shall be adjusted based on the following table:

STAFF POSITION	LOCATION	FULL/TEMP	EXISTING STAFF	10/05/15	11/02/15	02/01/16	04/01/16	NET CHANGE	REMAINING STAFF
Pharmacy Tech	Iowa	Full	5.50	0.00	0.00	-2.00	-1.50	-3.50	2.00
Account Manager	Iowa	Full	0.50	0.00	0.00	0.00	0.00	0.00	0.50
Operations Manager	Iowa	Full	1.00	0.00	0.00	0.00	0.00	0.00	1.00
Administrative Assistant	Iowa	Full	0.50	0.00	0.00	0.00	0.00	0.00	0.50
Rebate Analyst	Maine	Full	0.00	0.00	1.00	0.00	0.00	1.00	1.00
Rebate Specialist	Maine	Full	3.00	0.00	2.00	0.00	0.00	2.00	5.00
Accounting	Maine	Full	1.00	0.00	1.00	0.00	0.00	1.00	2.00
Rebate Operations Supervisor	Maine	Temp	0.00	0.50	0.00	0.00	-0.50	0.00	0.00
Rebate Analyst	Maine	Temp	0.00	2.50	0.00	0.00	-2.50	0.00	0.00
NET CHANGE	N/A	N/A	11.50	2.50	4.00	-2.00	-4.50	0.50	12.00

Contractor Deliverables

- Contractor shall provide a period of transitional support for pharmacy support to the Agency to acclimate providers and members to the new MCO model. This transitional period shall begin January 2016 and end no later than April 2016.
- Contractor shall supply a basic suite of project management reports to help with the transition.
- Continue to perform, for FFS members, all required Pharmacy POS responsibilities, as outlined in Section 8.2 of the RFP.

Performance Measures

- Unless specifically amended, Contractor shall comply with all Performance Measures outlined in RFP Section 8.2 in relation to services provided pursuant to Attachment C.